

Message Text

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PAGE 01 ANTANA 00642 150442Z
ACTION XMB-04

INFO OCT-01 AF-10 ISO-00 EB-08 COME-00 AID-05 TRSE-00
CIAE-00 INR-10 NSAE-00 AGRE-00 OMB-01 /039 W
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FM AMEMBASSY ANTANANARIVO
TO SECSTATE WASHDC 0400

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E.O. 11652: N/A
TAGS: EFIN EAGR EXIM MA
SUBJ: N-REN APPLICATION FOR EXIMBANK FINANCING TWO 100 TON
PER DAY PREPACKAGED ANHYDROUS AMMONIA PLANTS

REFS: (A) 77 ANT 2333, (B) STATE 077055, (C) ANT 0614, (D)
STATE 094275

1. SUMMARY: THIS TELEGRAM REPLIES TO EXIMBANK QUESTIONS REF D. SOURCE, A SENIOR OFFICIAL WITH INTIMATE KNOWLEDGE OF GOVERNMENT'S NEGOTIATIONS FOR FERTILIZER PLANT, VOLUNTEERED TO ECONOFF THAT SUPREME REVOLUTIONARY COUNCIL, PRIME MINISTER, AND PRESIDENT RATSIRAKA HAVE ALL APPROVED CHOICE OF N-REN AS JOINT VENTURE PARTNER, BUT THAT IF ANY SIGNIFICANT FURTHER DELAY WERE ENCOUNTERED, FRENCH NATIONALIZED FIRMS WOULD AGAIN POSE SERIOUS COMPETITION FOR N-REN. END SUMMARY.
2. TAMATAVE REFINERY ALREADY PRODUCES NAPHTHA AND IS PROJECTED TO SUPPLY ABOUT HALF OF 30,000 MT NAPHTHA REQUIREMENTS. REMAINING HALF WILL BE IMPORTED AT MARKET PRICES PREVAILING AT TIME OF IMPORT.
3. MADAGASCAR HAS EXPERIENCED INCREASED YIELDS OF ABOUT 5.5 MT OF PADDY PER TON OF UREA USED. THIS WOULD BE ABOUT 3.3 TONS OF RICE PER TON OF UREA.
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4. SEPARATE SOURCE REPORTS THAT RECENTLY IMPORTED RICE FROM PAKISTAN AND BURMA COST MADAGASCAR ABOUT 500 DOLLARS PER MT CIF. THIS SEEMS EXCESSIVELY HIGH, BUT MAY REFLECT HIGH COST OF UNLOADING DELAYS IN MADAGASCAR'S NOTORIOUSLY INEFFICIENT PORTS.
5. SOURCE CITED PARA 1 ABOVE REPORTS IMPORTED NITROGEN FERTILIZER

IS COSTING ABOUT 250 DOLS PER MT CIF.

6. PER REF A, N-REN HAS DEALT ALMOST EXCLUSIVELY WITH THEIR
AGENT, FRAISE, IN RECENT YEARS, CALLING ON THE EMBASSY ONLY ONCE IN
THE LAST TWENTY MONTHS. THAT CALL WAS A COURTESY CALL ON CHARGE
SHEINBAUM BEFORE MY ARRIVAL. ECONOFF, WHILE FAVORABLY IMPRESSED,
COULD FORM NO OPINION OF FIRM'S ABILITY FROM THAT BRIEF ENCOUNTER.
BARRETT

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Message Attributes

Automatic Decaptioning: X
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Copy: SINGLE
Draft Date: 14 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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